Department of Finance Canada

2016–17

Report on Plans and Priorities

The Honourable William F. Morneau, P.C., M.P.
Minister of Finance

©Her Majesty the Queen in Right of Canada (2016)
All rights reserved

All requests for permission to reproduce this document or any part thereof shall be addressed to the Department of Finance Canada.

Cette publication est également disponible en français.

Cat. No.: F1-40/2016E-PDF
ISSN: 2292-5368

Table of Contents

Minister's Message 1

Section I: Organizational Expenditure Overview 3

Organizational Profile 3

Organizational Context 4

Planned Expenditures 14

Alignment of Spending With the Whole-of-Government Framework 16

Departmental Spending Trend 17

Estimates by Vote 17

Section II: Analysis of Programs by Strategic Outcome 19

Strategic Outcome: A Strong Economy and Sound Public Finances for Canadians 19

Program 1.1: Economic and Fiscal Policy Framework 19

Sub-Program 1.1.1: Taxation 21

Sub-Program 1.1.2: Economic and Fiscal Policy, Planning and Forecasting 23

Sub-Program 1.1.3: Economic Development Policy 24

Sub-Program 1.1.4: Federal-Provincial Relations and Social Policy 26

Sub-Program 1.1.5: Financial Sector Policy 27

Sub-Program 1.1.6: International Trade and Finance 29

Program 1.2: Transfer and Taxation Payment Programs 30

Sub-Program 1.2.1: Fiscal Arrangements with Provinces and Territories 31

Sub-Program 1.2.2: Tax Collection and Administration Agreements 33

Sub-Program 1.2.3: Commitments to International Financial Organizations 34

Sub-Program 1.2.4: Receipts From and Payments to Individuals and Organizations 35

Program 1.3: Treasury and Financial Affairs 36
Sub-Program 1.3.1: Federal Debt Management 37
Sub-Program 1.3.2: Major Federal-Backed Entities' Borrowing 38
Sub-Program 1.3.3: Prudential Liquidity and Reserves Management 39
Sub-Program 1.3.4: Domestic Currency System 40
Internal Services 41
Section III: Supplementary Information 43
Future-Oriented Condensed Statement of Operations 43
Supplementary Information Tables 44
Tax Expenditures and Evaluations 44
Section IV: Organizational Contact Information 45
Appendix: Definitions 47
Endnotes 51

Minister's Message

This 2016–17 Report on Plans and Priorities of the Department of Finance Canada provides information on how the Department will support the Government on achieving our agenda in the coming year, and I am fully confident that the Department is prepared to successfully support me and work with our partners inside and outside government to deliver for Canadians. However, given our commitment to more effective reporting, this year's report will be the final submission using the existing reporting framework.

The Prime Minister and the President of the Treasury Board are working to develop new, simplified and more effective reporting processes that will better allow Parliament and Canadians to monitor our Government's progress on delivering real change to Canadians. In the future, the Department of Finance Canada's reports to Parliament will focus more transparently on how we are using our resources to fulfill our commitments and achieve results for Canadians.

These new reporting mechanisms will allow Canadians to more easily follow our Department's progress toward delivering on our priorities, which were outlined in the Prime Minister's mandate letter[i] to me.

As Minister of Finance, my role is to lead the implementation of the Government's ambitious economic agenda. That means investing in a stronger middle class and creating economic opportunity for more Canadians. I am deeply honoured to have been entrusted with this responsibility.

Our Government has made a commitment to invest in growing Canada's economy, strengthening the middle class, and providing more help to those who need it most. We committed to public investment as the best way to spur long-term economic growth, job creation and broad-based prosperity. We committed to a responsible, transparent fiscal plan that will contribute to building a strong economy and sound public finances.

I am proud to say that we have already begun meeting our commitments. The steps that we have taken are part of a longer journey, and we will continue to place our efforts on those initiatives that will have the greatest positive impact on the lives of Canadians.

Since my appointment as Minister of Finance, I have been impressed by the dedication, focus and professionalism demonstrated by departmental officials at all levels. With their efforts, and

through consultations with Canadians, I am confident that we will continue to make strides in creating real change that strengthens the middle class and supports growing our economy and thriving communities.

Section I: Organizational Expenditure Overview

Organizational Profile

Appropriate Minister: William F. Morneau

Institutional Head: Paul Rochon

Ministerial Portfolio: Department of Finance

Enabling Instruments: The Minister of Finance has direct responsibility for a number of acts and is assigned specific fiscal and tax policy responsibilities relating to other acts that are under the responsibility of other ministers, including the following:

- *Financial Administration Act*;
- *Income Tax Act*;
- *Payment Clearing and Settlement Act*;
- *Federal-Provincial Fiscal Arrangements Act*;
- *Customs Act*;
- *Customs Tariff*;
- *Excise Act, 2001*;
- *Excise Tax Act*;
- *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*; and
- *Special Import Measures Act*.

Key legislation and acts are available on the Department of Justice Canada's website.[ii]

Year of Incorporation / Commencement: 1867

Organizational Context

Raison d'être

The Department of Finance Canada contributes to a strong economy and sound public finances for Canadians. It does so by monitoring developments in Canada and around the world to provide first-rate analysis and advice to the Government of Canada and by developing and implementing fiscal and economic policies that support the economic and social goals of Canada and its people. The Department also plays a central role in ensuring that government spending is focused on results and delivers value for taxpayer dollars. The Department interacts extensively with other federal organizations and acts as an effective conduit for the views of participants in the economy from all parts of Canada.

Responsibilities

Created in 1867, the Department of Finance Canada was one of the original departments of the Government of Canada and had as its primary functions bookkeeping, administering the collection and disbursement of public monies, and servicing the national debt. Today, the Department helps the Government of Canada develop and implement strong and sustainable economic, fiscal, tax, social, security, international and financial sector policies and programs. It plays an important central agency role, working with other departments to ensure that the government's agenda is carried out and that ministers are supported with high-quality analysis and advice.

The Department's responsibilities include the following:

- Preparing the federal Budget and the fall Update of Economic and Fiscal Projections;
- Preparing the Annual Financial Report of the Government of Canada and, in cooperation with the Treasury Board of Canada Secretariat and the Receiver General for Canada, the Public Accounts of Canada;
- Developing tax and tariff policy and legislation;
- Managing federal borrowing on financial markets;
- Designing and administering major transfers of federal funds to the provinces and territories;
- Developing financial sector policy and legislation; and
- Representing Canada in various international financial institutions and organizations.

The Minister of Finance is accountable for ensuring that his responsibilities are fulfilled both within his portfolio and with respect to the authorities assigned through legislation.

Strategic Outcome and Program Alignment Architecture

1. Strategic Outcome: A strong economy and sound public finances for Canadians

- **1.1 Program:** Economic and Fiscal Policy Framework
  - **1.1.1 Sub-Program:** Taxation
  - **1.1.2 Sub-Program:** Economic and Fiscal Policy, Planning and Forecasting
  - **1.1.3 Sub-Program:** Economic Development Policy
  - **1.1.4 Sub-Program:** Federal-Provincial Relations and Social Policy
  - **1.1.5 Sub-Program:** Financial Sector Policy
  - **1.1.6 Sub-Program:** International Trade and Finance
- **1.2 Program:** Transfer and Taxation Payment Programs
  - **1.2.1 Sub-Program:** Fiscal Arrangements with Provinces and Territories
  - **1.2.2 Sub-Program:** Tax Collection and Administration Agreements
  - **1.2.3 Sub-Program:** Commitments to International Financial Organizations
  - **1.2.4 Sub-Program:** Receipts from and Payments to Individuals and Organizations
- **1.3 Program:** Treasury and Financial Affairs
  - **1.3.1 Sub-Program:** Federal Debt Management
  - **1.3.2 Sub-Program:** Major Federal-Backed Entities' Borrowing
  - **1.3.3 Sub-Program:** Prudential Liquidity and Reserves Management
  - **1.3.4 Sub-Program:** Domestic Currency System
- **Internal Services**

Organizational Priorities

Priority: Sound Fiscal Management

Description

The Department of Finance Canada will ensure effective management of the fiscal framework, including responsible management of the federal budget.

Priority Type[1]

Ongoing

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Link to Department's Program Alignment Architecture
• Continue to ensure a sound economic and fiscal framework through a fiscal management approach that is realistic, sustainable, prudent and transparent. • Develop actions to protect the revenue base by, for example, supporting a review of tax expenditures to reduce poorly targeted and inefficient measures, thus improving the fairness, efficiency and simplicity of the tax system. • Support prudent and effective economic and fiscal management of the government's corporate assets. • Effectively manage the federal government's currency, debt and international reserves.	Ongoing (all initiatives)	Ongoing (all initiatives)	• 1.1 Economic and Fiscal Policy Framework • 1.3 Treasury and Financial Affairs

1. Type is defined as follows: previously committed to—committed to in the first or second fiscal year prior to the subject year of the report; ongoing—committed to at least three fiscal years prior to the subject year of the report; and new—newly committed to in the reporting year of the Report on Plans and Priorities or the Departmental Performance Report.

Priority: Sustainable Economic Growth

Description

The Department of Finance Canada will continue to play a leadership role by putting in place policies that encourage businesses to grow and innovate, that facilitate workforce participation, and that contribute to a sound financial system.

Priority Type[1]

Ongoing

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Link to Department's Program Alignment Architecture
• Support efforts to reduce taxes on Canada's middle class, and develop proposals to create a new Canada Child Benefit. • Continue to play a leadership role in putting in place policies that encourage businesses to grow and innovate, that facilitate workforce participation, and that contribute to a sound financial system. • Support the Government of Canada's economic agenda by providing evidenced-based analysis, research and advice on potential initiatives in various economic sectors. • Review and refine the financial sector policy framework to ensure a sound, efficient and competitive financial sector that meets the savings and investment needs of individuals, businesses and the economy as a whole.	Ongoing (all initiatives)	Ongoing (all initiatives)	• 1.1 Economic and Fiscal Policy Framework

Priority: Sound Social Policy Framework

Description

The Department of Finance Canada will manage the major transfer programs to provinces and territories and will continue to work with departments and other central agencies to develop policy proposals that are consistent with, and deliver on, the government's social policy priorities.

Priority Type[1]

Ongoing

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Link to Department's Program Alignment Architecture
• Maintain regular dialogue with provincial and territorial officials to support the transparent administration of fiscal arrangements.	Ongoing	Ongoing	• 1.1 Economic and Fiscal Policy Framework • 1.2 Transfer and Taxation Payment Programs
• Organize and convene the next Finance Ministers' Meeting to discuss issues of shared interest.	December 2015	December 2015	
• Collaborate with other departments and central agencies to review policy proposals that are consistent with, and deliver on, the government's priorities.	Ongoing	Ongoing	
• Work with provinces and territories, the joint stewards of the Canada Pension Plan (CPP), on issues related to retirement income—in particular, on a possible enhancement to the CPP.	December 2015	End of 2016	
• Collaborate with officials at Employment and Social Development Canada on measures to improve the Employment Insurance program, the post-secondary education system and the training system.	December 2015	To be determined	
• Collaborate with officials at Indigenous and Northern Affairs Canada on establishing a new fiscal relationship with First Nations communities, including lifting the 2 per cent cap on annual funding increases.	December 2015	To be determined	

Priority: Effective International Engagement

Description

The Department of Finance Canada will advance Canada's leadership internationally, with a focus on the G20 Framework for Strong, Sustainable and Balanced Growth.

Priority Type[1]

Ongoing

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Link to Department's Program Alignment Architecture
• Continue to provide international leadership by co-chairing the G20 Working Group responsible for steering the Framework for Strong, Sustainable and Balanced Growth, which guides and enhances international policy coordination. • Pursue efforts to advance Canada's trade policy framework, including bilateral, regional and multilateral trade negotiations. • Continue to participate in the implementation of the G20 financial sector reform agenda, including a review of the system of deposit insurance. Provide advice and support for international efforts to increase financial services trade and to combat financial crime. • Continue to participate in G20 and Organisation of Economic Co-operation and Development initiatives to improve international tax fairness by addressing tax evasion and aggressive tax planning. • Support international financial institutions and multilateral development banks in fulfilling their mandates in line with Canadian objectives.	Ongoing (all initiatives)	Ongoing (all initiatives)	• 1.1 Economic and Fiscal Policy Framework • 1.2 Transfer and Taxation Payment Programs

Priority: People Management

Description

The Department of Finance Canada will focus on improving talent management and promoting a healthy work environment.

Priority Type[1]

Previously committed to

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Link to Department's Program Alignment Architecture
• Continue to implement government-wide modernization and transformation initiatives in the area of people management, as well as Destination 2020. • Continue to implement human resources plans and priorities in support of recruitment, talent management and workplace wellness.	Ongoing (all initiatives)	Ongoing (all initiatives)	• The strategic outcome • All programs

Priority: Information Management and Information Technology Management

Description

The Department of Finance Canada will ensure a secure and reliable information technology (IT) infrastructure and implement a collaborative, client-focused approach for information management (IM).

Priority Type[1]

Previously committed to

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Link to Department's Program Alignment Architecture
• Support the implementation of government-wide modernization and transformation activities in the areas of IM and IT. Continue to implement the departmental action plan on Open Government. • Continue to strengthen IM by building on existing tools and leveraging government-wide electronic systems. • Continue to improve the security of IT networks in partnership with Shared Services Canada.	Ongoing (all initiatives)	Ongoing (all initiatives)	• The strategic outcome • All programs

For more information on organizational priorities, see the Minister's mandate letter on the Prime Minister of Canada's website.[iii]

Risk Analysis

Reflecting the ongoing impact of low and volatile crude oil prices and the overall weak and fragile global economic situation, growth in the Canadian economy has slowed considerably since 2014.

With respect to the fragile global economic situation, the Department will continue to monitor developments and risks in key regions and countries. Notable among these are the slowdown in large emerging market economies, the weak European economic recovery, the escalation of geopolitical tensions in the Middle East, slowing short-to-medium-term growth in both advanced and emerging economies, and the challenges associated with the normalization of U.S. monetary policy, which in turn poses risks for emerging markets with long-standing economic and financial vulnerabilities. Over the planning period, the Department will continue to foster

international economic policy coordination, contribute to international efforts to mitigate and prevent economic crises, and manage the allocation of scarce fiscal resources.

Consistent with the Department of Finance Canada's Corporate Risk Profile, the following table describes three of the top risks that may have an impact on the Department's plans and priorities for 2016–17 and presents the Department's risk response strategies to mitigate these risks.

Key Risks

Risk	Risk Response Strategy	Link to Program Alignment Architecture
Given uncertain world economic conditions, there is a risk that ongoing uncertainty and volatility in the global economy will challenge the Department's ability to provide accurate strategic advice and policy recommendations.	• Continue to monitor high-frequency indicators to provide the most up-to-date information on the speed of the recovery (ongoing). • Conduct private-sector surveys of the Canadian economic outlook, and assess potential risks (ongoing). • Continue to meet regularly with leading private sector economists to discuss the economic outlook and whether the average private sector economic forecast represents a reasonable basis for budgetary planning (ongoing). • Provide policy options to the Minister given expected economic conditions (ongoing).	• 1.1 Economic and Fiscal Policy Framework
Given the uncertainty of the pace of global economic recovery and volatile financial markets, there is a risk that the Department will not have the infrastructure, resources and authorities needed to meet urgent challenges or the ability to ensure effective coordinated action by responsible agencies to address a situation affecting the soundness, integrity and reputation of the Canadian financial system.	• Continue training and development of personnel and the recruitment of personnel with specialized knowledge (ongoing). • Monitor the use and effectiveness of legal authorities to ensure that they meet the stated objectives, and where appropriate, address unforeseen events by proposing new authorities (ongoing). • Promote prudent investment and risk limits, and undertake daily monitoring of financial market activities and risks and regular external evaluation of treasury operations (ongoing). • Examine new initiatives that may need to be developed to respond to the evolving economic situation; conduct analysis on a broad range of financial sector issues	• 1.1 Economic and Fiscal Policy Framework • 1.3 Treasury and Financial Affairs • Internal Services

Risk	Risk Response Strategy	Link to Program Alignment Architecture
	(e.g., systemic stability, prudential issues, efficiency and global competitiveness); and develop legislative and regulatory proposals related to financial sector statutes (ongoing). • Ensure close cooperation with the Bank of Canada, the Office of the Superintendent of Financial Institutions, the Financial Consumer Agency of Canada, and the Canada Deposit Insurance Corporation, along with other government departments and international partners, to scrutinize economic developments and key indicators that might foreshadow problems (ongoing).	
Given the prevalence of IT security incidents in both the public and private sectors, there is a risk that unauthorized IT network access or disruptions will impact the Department's reputation and its ability to provide policy and advice, and execute critical government operations.	• Initiate, in collaboration with Shared Services Canada, the implementation of the departmental approach aimed at increasing the security posture of the dual network, desktops and applications, which includes restricting the use of the FIN-S network to Secret-related activities only and migrating all unclassified applications to the FIN-B network (2015–18). • Continue to align with the Government of Canada's IT modernization initiatives, such as Data Centre Consolidation (2015–18). • Assess opportunities, in collaboration with Shared Services Canada, to implement additional IT security controls resulting from the departmental threat assessment (2015–18).	• 1.1 Economic and Fiscal Policy Framework • 1.2 Transfer and Taxation Payment Programs • 1.3 Treasury and Financial Affairs • Internal Services

Planned Expenditures

Budgetary Financial Resources (dollars)

2016–17 Main Estimates	2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
89,463,792,510	89,463,792,510	92,906,897,337	98,028,634,742

Human Resources (Full-Time Equivalents [FTEs])

2016–17	2017–18	2018–19
739	732	732

Budgetary Planning Summary for Strategic Outcome and Programs (dollars)

Strategic Outcome, Programs and Internal Services	2013–14 Expenditures	2014–15 Expenditures	2015–16 Forecast Spending	2016–17 Main Estimates	2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
Strategic Outcome: 1. A strong economy and sound public finances for Canadians							
1.1 Economic and Fiscal Policy Framework	90,992,374	124,886,930	73,479,013	60,440,111	60,440,111	59,344,057	59,344,057
1.2 Transfer and Taxation Payment Programs	60,171,246,077	61,902,703,494	63,930,002,065	66,484,237,172	66,484,237,172	68,655,810,068	71,396,547,473
1.3 Treasury and Financial Affairs	25,258,792,413	23,600,697,770	23,154,000,000	22,878,000,000	22,878,000,000	24,153,000,000	26,534,000,000
Subtotal	85,521,030,864	85,628,288,194	87,159,481,078	89,422,677,283	89,422,677,283	92,868,154,125	97,989,891,530
Internal Services Subtotal	57,841,315	54,866,622	46,634,192	41,115,227	41,115,227	38,743,212	38,743,212
Total	**85,578,872,179**	**85,683,154,816**	**87,204,115,270**	**89,463,792,510**	**89,463,792,510**	**92,906,897,337**	**98,028,634,742**

Economic and Fiscal Policy Framework

The $33.9 million increase in actual spending from 2013–14 to 2014–15 is mainly due to an increase of $38.9 million in payments to the Canadian Securities Regulation Regime Transition Office. This increase was offset by a $2.2 million reduction in advertising expenditures and the realignment of the $3.6 million in legal services expenditures under Internal Services in 2014–15. The cessation of payments to the Canadian Securities Regulation Regime Transition Office in 2015–16 explains the decrease in expenditure levels after 2014–15. Planned spending in 2016–17 and 2018–19 reflects a decrease in advertising expenditures.

Transfer and Taxation Payment Programs

The cumulative increase of $11.2 billion in spending from 2013–14 to 2018–19 relates to legislated and forecast increases for the Canada Health Transfer, the Canada Social Transfer, Fiscal Equalization and Territorial Formula Financing.

Treasury and Financial Affairs

The $1.7 billion decrease in actual spending from 2013–14 to 2014–15 is due to lower inflation rates and lower long-term bond rates. The cumulative increase of $3.7 billion in planned spending from 2016–17 to 2018–19 is related to an increase in interest rates as forecast by private sector economists, consistent with the 2015 fall Update of Economic and Fiscal Projections.

Internal Services

The increase in actual spending for 2013–14 and 2014–15 is due to higher costs related to the construction of the Department's new office building and to the realignment of legal services spending under Internal Services.

Alignment of Spending With the Whole-of-Government Framework

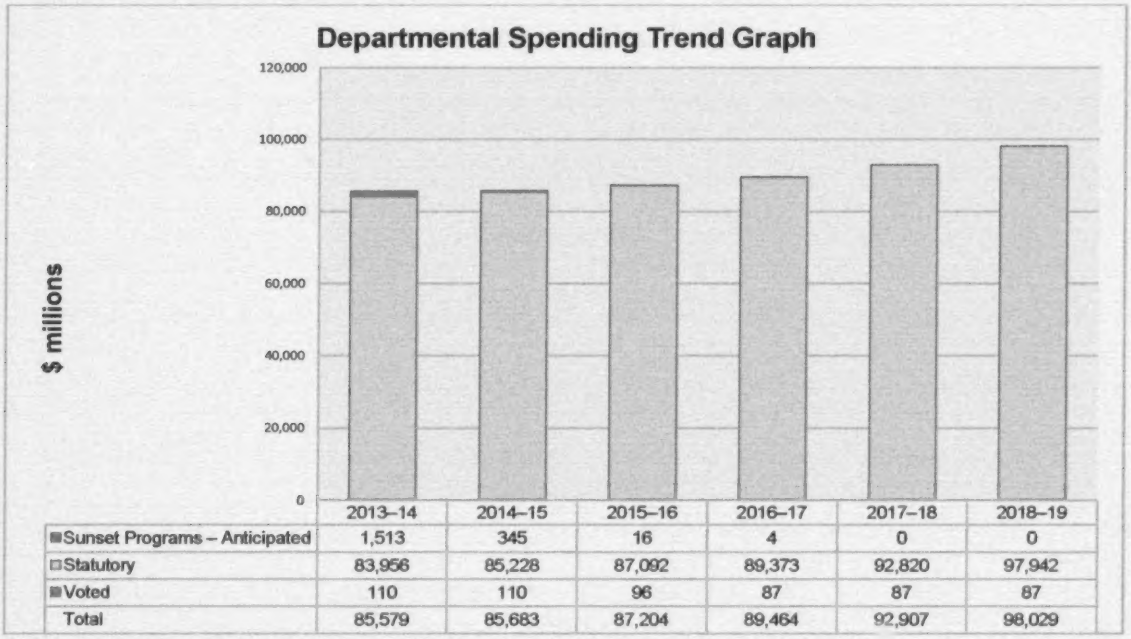
Alignment of 2016–17 Planned Spending With the Whole-of-Government Framework[iv] (dollars)

Strategic Outcome	Program	Spending Area	Government of Canada Outcome	2016–17 Planned Spending
1. A strong economy and sound public finances for Canadians	1.1 Economic and Fiscal Policy Framework	Economic affairs	Strong economic growth	60,440,111
	1.2 Transfer and Taxation Payment Programs	All spending areas	All outcomes	66,484,237,172
	1.3 Treasury and Financial Affairs	Economic affairs	Strong economic growth	22,878,000,000

Total Spending by Spending Area (dollars)

Spending Area	Total Planned Spending
Economic affairs	39,514,109,854
Social affairs	49,415,629,000
International affairs	492,938,429
Government affairs	0

Departmental Spending Trend



	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19
Sunset Programs – Anticipated	1,513	345	16	4	0	0
Statutory	83,956	85,228	87,092	89,373	92,820	97,942
Voted	110	110	96	87	87	87
Total	85,579	85,683	87,204	89,464	92,907	98,029

Planned spending in 2015–16 increased by $1.5 billion from 2014–15. This increase was mainly due to the legislated increase of $2.0 billion in annual transfer payments within Transfer and Taxation Payment Programs and was offset by a decrease of $0.4 billion in planned expenditures within Treasury and Financial Affairs owing to a lower average effective interest rate on interest-bearing debt.

From 2016–17 to 2018–19, the upward trend in planned spending reflects the expectation of a cumulative $4.9 billion increase in transfer payments and a $3.7 billion increase in interest on unmatured debt and interest on other liabilities.

Actual and planned expenditures within Economic and Fiscal Policy Framework and Internal Services have minimal impact on overall departmental expenditures.

On average, sunset programs account for less than 1 per cent of total planned spending.

Estimates by Vote

For information on the Department of Finance Canada's organizational appropriations, consult the 2016–17 Main Estimates.[v]

Section II: Analysis of Programs by Strategic Outcome

Strategic Outcome: A Strong Economy and Sound Public Finances for Canadians

Program 1.1: Economic and Fiscal Policy Framework

Description

This Program is the main source of advice and recommendations to the Minister of Finance, other ministers and senior government officials on issues, policies and programs of the Government of Canada in the areas of economic, fiscal and social policy; federal-provincial relations; the financial sector; taxation; and international trade and finance. The Program ensures that ministers and senior government officials can make informed decisions on economic, fiscal and financial sector policies, programs and proposals. Ultimately, the Program contributes to building a sound and sustainable fiscal and economic framework that generates sufficient revenues and aligns the management of expenditures with the Budget Plan and the financial operations of the Government of Canada.

Budgetary Financial Resources (dollars)

2016–17 Main Estimates	2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
60,440,111	60,440,111	59,344,057	59,344,057

Human Resources (Full-Time Equivalents [FTEs])

2016–17	2017–18	2018–19
450	444	444

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
A sound economic, social, fiscal and financial policy framework.	Percentage of leading international organizations and major ratings agencies that rate Canada's economic, social, fiscal and financial policy framework as favourable.	80 per cent	2016–17
Ministers and senior government officials are equipped to make informed decisions on economic, fiscal and financial sector policies, programs and proposals.	Percentage of recommendations/agreed upon areas for improvement following audits and/or evaluations that are on track or have been implemented within the planned time frames.	100 per cent	2016–17
	Percentage of recommendations/agreed upon areas for improvement following the annual federal budget post-mortem process that were implemented.	100 per cent	2016–17

Planning Highlights

The Department of Finance Canada will continue to ensure a sound economic, social, fiscal and financial policy framework. The Department will also continue its prudent and effective fiscal management of the government's corporate assets.

To support strong, sustainable and inclusive economic growth, the Department will continue to play a leadership role in putting in place policies that encourage businesses to grow and innovate and that facilitate workforce participation.

To support strong fiscal management, the Department will develop recommendations aimed at improving the fairness, neutrality, efficiency and simplicity of the tax system, including through actions to protect the revenue base, and support a review of tax expenditures to reduce poorly targeted and inefficient measures.

A sound, efficient and competitive financial sector provides a solid foundation to ensure that the savings and investments needs of individuals, businesses and the economy as a whole are met. In this context, the Department will continue to review and refine the financial sector policy

framework and to pursue measures that enhance efficiency, innovation and competition in the provision of financial services. The Department will also ensure that Canada maintains a leading, globally recognized financial sector.

To ensure that social programs remain sustainable and effective for Canadians, the Department of Finance Canada will continue to work with departments and other central agencies to develop policy proposals that are consistent with, and deliver on, the government's social policy priorities. The Department will maintain a leadership role by promoting measures that support strong sustainable growth with attention to policies that facilitate investment in social programs.

The Department will continue to ensure that ministers and senior government officials are equipped to make informed decisions. To this end, the Department will monitor economic and fiscal developments at home and abroad to formulate first-rate policy advice and to develop contingency plans.

The Department will also pursue efforts to advance Canada's trade policy framework, including bilateral, regional and multilateral trade negotiations.

Sub-Program 1.1.1: Taxation

Description

This Sub-Program provides analysis, research, and advice to the Minister of Finance so that the Minister can make informed decisions on the Government of Canada's tax policy agenda. The Sub-Program focuses on personal income tax, business income tax, sales and excise tax, and Aboriginal tax policy. To support the government's tax policy agenda, senior departmental officials provide advice and recommendations on improving the competitiveness, efficiency, simplicity and fairness of the tax system while generating sufficient revenue to finance government programs and priorities. This Sub-Program develops and evaluates federal taxation policies and legislation, and negotiates international tax treaties, tax information exchange agreements, and tax elements of comprehensive land claim and self-government agreements with Aboriginal governments. The Sub-Program is also involved with international tax policy matters, federal-provincial tax harmonization and coordination, federal-provincial Tax Collection and Reciprocal Taxation Agreements, federal-Aboriginal Tax Administration Agreements, and tax policy research and evaluation.

Budgetary Financial Resources (dollars)

2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
19,837,696	19,837,696	19,837,696

Human Resources (FTEs)

2016–17	2017–18	2018–19
147	147	147

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
Ministers and senior government officials have timely access to evidence-based analysis, research and advice on matters that impact the Government of Canada's tax policy agenda.	Percentage of agreed upon deadlines for briefing material that were met.	90 per cent	2016–17
	Degree to which overall findings of audits and/or evaluations are favourable.	Favourable	2016–17

Planning Highlights

The Department of Finance Canada will continue to provide high-quality advice to the government and will support its efforts to reduce taxes on Canada's middle class. In addition, the Department will develop proposals to create a new Canada Child Benefit--a simpler, tax-free and more generous benefit targeted to families that need it most. Both of these initiatives will strengthen Canada's middle class and provide a sounder foundation for Canada's economic prosperity.

The Department will continue to provide advice and analysis on options to improve the fairness, neutrality, efficiency, and simplicity of the tax system, including through actions to protect the revenue base, and support a review of tax expenditures to reduce poorly targeted and inefficient measures.

To help ensure that economic growth is environmentally sustainable, the Department will examine opportunities to enhance existing measures to generate more investment in clean technology.

At the international level, the Department will support the implementation of outputs from the initiative of the Organisation for Economic Co-operation and Development and the G20 to address base erosion and profit shifting, and the new multilateral standard for the automatic exchange of tax information. The Department will continue to negotiate international tax treaties to promote trade and investment and reduce the risk of double taxation in accordance with Canadian tax treaty policy, and to pursue opportunities for the exchange of tax information under international agreements. The Department will continue to monitor corporate tax changes by Canada's key competitors to evaluate and provide advice on the relative competitiveness of Canada's corporate tax system.

Sub-Program 1.1.2: Economic and Fiscal Policy, Planning and Forecasting

Description

This Sub-Program provides analysis, research and advice to ministers and senior government officials so that they can make informed decisions on the Government of Canada's economic and fiscal agenda. The Sub-Program analyzes the economic and fiscal position of Canada, the provinces and other countries; advises on the government's economic policy framework, its budget planning framework, and policy priorities; monitors and prepares forecasts of Canada's economic and fiscal position; plays a lead role in the management of the government's fiscal framework; and provides analytical support on a wide range of economic and financial issues related to the government's macroeconomic and structural policies.

Budgetary Financial Resources (dollars)

2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
8,997,638	8,997,638	8,997,638

Human Resources (FTEs)

2016–17	2017–18	2018–19
70	70	70

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
Ministers and senior government officials have timely access to evidence-based analysis, research and advice on matters that impact the Government of Canada's economic and fiscal agenda.	Percentage of agreed upon deadlines for briefing material that were met.	90 per cent	2016–17
	Degree to which overall findings of audits and/or evaluations are favourable.	Favourable	2016–17

Planning Highlights

The Department of Finance Canada will continue to ensure a sound economic and fiscal framework. It will pursue an approach to fiscal management that is realistic, sustainable, prudent and transparent. The Department will ensure that ministers and senior government officials are equipped to make informed decisions. The Department will also conduct the monitoring of economic and fiscal developments at home and abroad in order to formulate first-rate policy advice and to develop contingency plans.

The Department will assess Canada's current and future economic conditions to formulate first-rate economic policy advice and to provide the basis for accurate fiscal planning. The activities will include regular monitoring and forecasting of Canada's and other countries' economic performance and conducting private sector surveys of the Canadian economic outlook. Analytical research will also be conducted on a range of topics related to the performance of the Canadian economy, the standard of living, and public finances, including productivity and the challenges associated with an aging population.

Sub-Program 1.1.3: Economic Development Policy

Description

This Sub-Program provides analysis, research and advice to ministers and senior officials so that they can make informed decisions on the fiscal and economic implications of sectoral and microeconomic policy issues, policies and programs. The Sub-Program fulfills the challenge function of the Department of Finance Canada on sectoral and microeconomic policy issues by conducting policy analysis and research regarding the fiscal and economic implications of economic policies and proposals developed by other departments in areas such as the knowledge-based economy, business financing, defence, transportation, public infrastructure, environment, energy and resources, agriculture and fisheries. This Sub-Program provides analysis, research and advice to the Minister of Finance and senior government officials in support of meetings of Cabinet and Cabinet committees, the annual budget and fiscal updates.

The Sub-Program also plays a lead role in advising the government on the management of its corporate assets.

Budgetary Financial Resources (dollars)

2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
5,241,836	4,798,264	4,798,264

Human Resources (FTEs)

2016–17	2017–18	2018–19
40	37	37

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
Ministers and senior government officials have timely access to evidence-based analysis, research and advice on the fiscal and economic implications associated with sectoral and microeconomic policy.	Percentage of agreed upon deadlines for briefing material that were met.	90 per cent	2016–17
	Degree to which overall findings of audits and/or evaluations are favourable.	Favourable	2016–17

Planning Highlights

The Department of Finance Canada will work toward the implementation of the government's economic agenda in several economic sectors, including automotive, aerospace, manufacturing, transportation, tourism, agriculture, fisheries, information and communications technologies, shipbuilding and forestry, as well as in the areas of energy and environment, innovation, small business financing, venture capital, research and development, commercialization, regional economic development, infrastructure, defence and public safety.

The Department will continue to play a leadership role in putting in place policies that encourage businesses to grow and innovate.

The Department will also continue to ensure the prudent and effective fiscal management of the government's corporate assets, including enterprise Crown corporations, real property and other holdings.

Sub-Program 1.1.4: Federal-Provincial Relations and Social Policy

Description

This Sub-Program designs fiscal arrangements between Canada and the provinces and territories, to facilitate the funding of shared priorities and to support the provision of reasonably comparable services at reasonably comparable tax rates across the country. The Sub-Program prepares legislation and regulations on major transfers that fall under the responsibility of the Minister of Finance. This Sub-Program also provides analysis, research and advice to ministers and senior government officials on the fiscal and economic implications of federal-provincial relations and social policies, programs and issues. The Sub-Program fulfills the challenge function of the Department of Finance Canada by conducting policy analysis and research regarding the fiscal and economic implications of federal social policies and programs in the areas of health care, immigration, justice and public safety, Employment Insurance and pensions, post-secondary education, Aboriginal and cultural programs, and programs for seniors, persons with disabilities, veterans and youth. This Sub-Program provides analysis, research and advice to the Minister of Finance and senior government officials in support of meetings of Cabinet and Cabinet committees, the annual budget, fiscal updates, and responsibilities for Employment Insurance and Canada Pension Plan (CPP) legislation.

Budgetary Financial Resources (dollars)

2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
6,014,746	6,014,746	6,014,746

Human Resources (FTEs)

2016–17	2017–18	2018–19
47	47	47

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
Ministers and senior government officials have timely access to evidence-based analysis, research and advice on the fiscal and economic implications associated with federal-provincial relations and social policies, programs and issues.	Percentage of agreed upon deadlines for briefing material that were met.	90 per cent	2016–17
	Degree to which overall findings of audits and/or evaluations are favourable.	Favourable	2016–17

Planning Highlights

The Department of Finance Canada will collaborate with other departments and central agencies to review policy proposals that are consistent with, and deliver on, the government's priorities in areas such as labour markets, Indigenous and Northern issues, justice, public safety, health, arts and culture, and income security.

The Department will manage the major transfer programs to ensure that those programs are sustainable and effective for all Canadians. As well, the Department will maintain regular dialogue with provincial and territorial officials to support the transparent administration of fiscal arrangements and will organize and convene the next Finance Ministers' Meeting to discuss issues of shared interest.

The Department will work with provinces and territories, the joint stewards of the CPP, on issues related to retirement income—in particular, on a possible enhancement to the CPP.

Sub-Program 1.1.5: Financial Sector Policy

Description

This Sub-Program provides analysis, research and advice to ministers and senior government officials so that they can make informed decisions on matters that impact the Government of Canada's financial sector policy agenda. The Sub-Program ensures the overall stability, soundness, efficiency and competitiveness of Canada's financial sector to support strong and sustainable economic growth. The Sub-Program also provides analysis of Canada's financial services sector and financial markets, and develops the legislative and regulatory frameworks for federally regulated financial institutions (banks, trust and loan companies, insurance companies and co-operative credit associations) and federally regulated pension plans. This Sub-Program also plays a lead role in the federal strategy to combat money laundering and terrorist financing;

in representing Canada at international forums; and in conducting Canada's relations, and in negotiating Canada's commitments, with foreign governments in the area of trade in financial services. The Sub-Program works with provinces and territories to improve the capital markets regulatory system.

Budgetary Financial Resources (dollars)

2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
11,320,293	11,320,293	11,320,293

Human Resources (FTEs)

2016–17	2017–18	2018–19
76	76	76

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
Ministers and senior government officials have timely access to evidence-based analysis, research and advice on matters that impact the Government of Canada's financial sector policy agenda.	Percentage of agreed upon deadlines for briefing material that were met.	90 per cent	2016–17
	Degree to which overall findings of audits and/or evaluations are favourable.	Favourable	2016–17

Planning Highlights

The Department of Finance Canada will provide analysis and advice to support financial stability, competition and utility for financial system users. In cooperation with the Financial Consumer Agency of Canada, the Department will support measures to inform and protect consumers of financial products and services.

The Department will provide advice on modifying the legislative and regulatory framework for federal pensions to support pension plan sustainability, and work with participating provinces to establish the Cooperative Capital Markets Regulatory System to improve the coherence and effectiveness of securities regulation in Canada.

The Department will participate in the implementation of the G20 financial sector reform agenda, including addressing the issue of too-big-to-fail financial institutions. The Department will also provide advice and support for international efforts to increase financial services trade and to combat financial crime.

Sub-Program 1.1.6: International Trade and Finance

Description

This Sub-Program provides analysis, research and advice to ministers and senior government officials so that they can make informed decisions on the Government of Canada's international trade and finance policy agenda. The Sub-Program develops and implements policies on trade and tariffs, international development assistance and finance, and global macroeconomic coordination in order to foster sustainable international and domestic economic growth. The Sub-Program also manages the Department of Finance Canada's participation in international financial institutions, such as the International Monetary Fund and the World Bank; regional multilateral development banks, such as the European Bank for Reconstruction and Development; and international economic coordination groups, such as the G7, the G20 and the Asia-Pacific Economic Co-operation forum.

Budgetary Financial Resources (dollars)

2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
9,027,902	8,375,420	8,375,420

Human Resources (FTEs)

2016–17	2017–18	2018–19
70	67	67

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
Ministers and senior government officials have timely access to evidence-based analysis, research and advice on matters that impact the Government of Canada's international trade and finance policy agenda.	Percentage of agreed upon deadlines for briefing material that were met.	90 per cent	2016–17
	Degree to which overall findings of audits and/or evaluations are favourable.	Favourable	2016–17

Planning Highlights

The Department of Finance Canada will provide advice on economic cooperation matters that arise under the G7 and the G20 Finance Ministers' process, the G7 and G20 Leaders' process, and at the International Monetary Fund, the World Bank, and the Organisation for Economic Co-operation and Development.

The Department will provide support to the global development and trade environment by advancing innovative financing tools in the international community, while balancing fiscal restraint with Canada's support for global development goals.

The Department will continue to advance Canada's trade policy framework in a manner that encourages trade growth, including support for trade negotiations, both multilaterally under the World Trade Organization and regionally and bilaterally with priority countries.

Program 1.2: Transfer and Taxation Payment Programs

Description

This Program enables the Government of Canada to meet its transfer and taxation payment commitments. The Program administers transfer and taxation payments to provinces and territories and Aboriginal governments in compliance with legislation and negotiated agreements. The Program also fulfills commitments and agreements with international financial organizations to support the economic advancement of developing countries. The Government of Canada sometimes enters into agreements or enacts legislation to respond to unforeseen pressures. These commitments can result in payments, generally statutory transfer payments, to a variety of recipients, including individuals, organizations and other levels of government.

Budgetary Financial Resources (dollars)

2016–17 Main Estimates	2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
66,484,237,172	66,484,237,172	68,655,810,068	71,396,547,473

Human Resources (Full-Time Equivalents [FTEs])

2016–17	2017–18	2018–19
12	11	11

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
The Government of Canada meets its transfer and taxation payment commitments.	Degree to which the Government of Canada is meeting its transfer and taxation payment commitments.	Met	2016–17

Planning Highlights

The Department of Finance Canada will administer transfer payments to provinces and territories as set out in legislation, as well as payments to individuals, organizations and other levels of government. The Department will also administer payments to international financial organizations, consistent with the Government of Canada's commitments.

The Department will continue to manage payments to provinces, territories and Aboriginal governments in accordance with the terms and conditions of Tax Collection Agreements, Tax Administration Agreements, Comprehensive Integrated Tax Coordination Agreements, the *Federal-Provincial Fiscal Arrangements Act* and the *First Nations Goods and Services Tax Act*.

Sub-Program 1.2.1: Fiscal Arrangements with Provinces and Territories

Description

This Sub-Program ensures that the Government of Canada's fiscal arrangements with provinces and territories are efficiently managed. The Sub-Program administers transfer payments to provinces and territories in compliance with legislation and negotiated agreements. In addition, the Sub-Program sometimes provides additional, time-limited, targeted support to provinces and territories in areas of shared priorities. The Sub-Program uses funding from the following transfer payments: Fiscal Equalization (Part I—*Federal-Provincial Fiscal Arrangements Act*);

Territorial Formula Financing (Part I.1—*Federal-Provincial Fiscal Arrangements Act*); Canada Health Transfer (Part V.1—*Federal-Provincial Fiscal Arrangements Act*); Canada Social Transfer (Part V.1—*Federal-Provincial Fiscal Arrangements Act*); Statutory Subsidies (*Constitution Act, 1867*; *Constitution Act, 1982*, and other statutory authorities); Additional Fiscal Equalization to Nova Scotia (Part I—*Federal-Provincial Fiscal Arrangements Act*); Additional Fiscal Equalization Offset Payment to Nova Scotia (*Nova Scotia and Newfoundland and Labrador Additional Fiscal Equalization Offset Payments Act*); Youth Allowances Recovery (*Federal-Provincial Fiscal Revision Act, 1964*); and Alternative Payments for Standing Programs (Part VI—*Federal-Provincial Fiscal Arrangements Act*).

Budgetary Financial Resources (dollars)

2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
65,990,523,143	68,162,255,039	70,902,992,444

Human Resources (FTEs)

2016–17	2017–18	2018–19
5	5	5

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
Fiscal arrangements with provinces and territories are efficiently managed.	Percentage of payments reviewed that did not reveal errors.	100 per cent	2016–17
	Percentage of payments that were made within the required time frames.	100 per cent	2016–17

Planning Highlights

To support fiscal arrangements with provinces and territories, the Department of Finance Canada will continue to manage the major transfer payment programs and will ensure that the administration of these programs remains timely, accurate and transparent.

Sub-Program 1.2.2: Tax Collection and Administration Agreements

Description

This Sub-Program ensures that the Government of Canada's tax collection and administration obligations and arrangements and other tax policy-related payments are efficiently managed. The Sub-Program manages the *Federal-Provincial Fiscal Arrangements Act*, the *First Nations Goods and Services Tax Act*, and payments to provinces and territories and Aboriginal governments in compliance with the terms and conditions of Tax Collection Agreements, Tax Administration Agreements, and Comprehensive Integrated Tax Coordination Agreements. Payments relate to provincial and territorial personal income tax and corporate income tax, provincial revenue entitlements associated with the harmonized sales tax, and Aboriginal sales and income taxes.

Budgetary Financial Resources (dollars)

2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
626,600	626,600	626,600

Human Resources (FTEs)

2016–17	2017–18	2018–19
5	5	5

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
Tax collection and administration obligations/arrangements are efficiently managed.	Percentage of payments reviewed that did not reveal errors.	100 per cent	2016–17
	Percentage of payments that were made within the required time frames.	100 per cent	2016–17

Planning Highlights

The Department of Finance Canada will continue to work to improve and enhance the application and administration of tax agreements with provinces, territories and Aboriginal governments. It will also work to ensure that payments continue to be accurate, timely and aligned with the terms and conditions of existing agreements.

The Department will continue to participate in negotiations with Aboriginal governments regarding new Tax Administration Agreements and will work with the provinces and territories to facilitate similar arrangements between interested provinces and territories and Aboriginal governments.

Sub-Program 1.2.3: Commitments to International Financial Organizations

Description

This Sub-Program ensures that the Government of Canada's commitments to international financial organizations are efficiently funded. The Sub-Program administers the payments and capital subscriptions for Canada's commitments to international financial institutions, such as the International Development Association of the World Bank, and other regional multilateral development banks, such as the European Bank for Reconstruction and Development. The Sub-Program uses funding from the following transfer payments: Payments to the International Development Association; Debt Payments on Behalf of Poor Countries to International Organizations Pursuant to section 18(1) *of the Economic Recovery Act* (*stimulus*); and International Bank for Reconstruction and Development for the Agriculture Advance Market Commitment (*Bretton Woods and Related Agreements Act*, section 8).

Budgetary Financial Resources (dollars)

2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
492,938,429	492,928,429	492,928,429

Human Resources (FTEs)

2016–17	2017–18	2018–19
1	1	1

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
Commitments to international financial organizations are efficiently funded.	Percentage of payments reviewed that did not reveal errors.	100 per cent	2016–17
	Percentage of payments that were made within the required time frames.	100 per cent	2016–17

Planning Highlights

The Department of Finance Canada will deliver on the Government of Canada's commitments to support international financial institutions and multilateral development banks in fulfilling their renewed mandates in line with Canadian objectives. These objectives include strengthening governance and accountability, helping to ensure sustainable and inclusive global economic growth, and supporting the economic advancement of developing countries.

Sub-Program 1.2.4: Receipts From and Payments to Individuals and Organizations

Description

This Sub-Program ensures that payments owed to and due from individuals and organizations are efficiently managed. The Sub-Program administers payments in compliance with the agreed terms and conditions. The Sub-Program uses funding from the following transfer payment: Harbourfront Centre Funding Program (Vote 5).

Budgetary Financial Resources (dollars)

2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
149,000	0	0

Note: The operating resources related to this Sub-Program will sunset in 2016–17.

Human Resources (FTEs)

2016–17	2017–18	2018–19
1	0	0

Note: The operating resources related to this Sub-Program will sunset in 2016–17.

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
Payments owed to and due from individuals and organizations are efficiently managed.	Percentage of payments reviewed that did not reveal errors.	100 per cent	2016–17
	Percentage of payments that were made within the required time frames.	100 per cent	2016–17

Planning Highlights

The Department of Finance Canada will continue to manage the Harbourfront Centre Funding Program.

Program 1.3: Treasury and Financial Affairs

Description

This Program provides analysis, research and advice to ministers and senior government officials on the management of the treasury and the financial affairs of the Government of Canada. The Program ensures that the treasury and financial affairs of the Government of Canada are efficiently managed on behalf of Canadian taxpayers. The Program provides direction for Canada's debt management activities, including the funding of debt and service costs for new borrowings. This Program manages investments in financial assets so that the Government of Canada can meet its liquidity needs. The Program supports the ongoing refinancing of government debt coming to maturity, the execution of the Budget Plan, and other financial operations of the government, including governance of the borrowing activities of major federal government-backed entities, such as Crown corporations. The Program also oversees the system that ensures that Canada has an adequate supply of circulating Canadian currency (banknotes and coins) to meet the needs of the Canadian economy.

Budgetary Financial Resources (dollars)

2016–17 Main Estimates	2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
22,878,000,000	22,878,000,000	24,153,000,000	26,534,000,000

Human Resources (Full-Time Equivalents [FTEs])

2016–17	2017–18	2018–19
28	28	28

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
The treasury and financial affairs of the Government of Canada are well managed.	Percentage of recommendations and agreed upon areas for improvement following evaluations that are on track or have been implemented within the planned time frames.	100 per cent	2016–17

Planning Highlights

The Department of Finance Canada will continue to provide policy advice to ensure that the treasury and financial affairs of the Government of Canada are well managed. In particular, the Department, in collaboration with the Bank of Canada, will continue to manage the debt and international reserves of the Government of Canada and to support the borrowing activity of federal Crown corporations. In cooperation with the Bank of Canada and the Royal Canadian Mint, the Department will support the development of commemorative banknotes and coins, and ensure that the ongoing needs of the Canadian economy for circulating banknotes and coinage are met.

Sub-Program 1.3.1: Federal Debt Management

Description

This Sub-Program provides analysis, research and advice to ministers and senior government officials on the management of the federal debt. The government's debt management program includes the payment of interest costs on existing debt instruments and the servicing costs for new borrowings. The Sub-Program ensures that the Government of Canada can fund its financial requirements on a timely and effective basis.

Budgetary Financial Resources (dollars)

2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
22,779,606,000	24,050,606,000	26,436,606,000

Human Resources (FTEs)

2016–17	2017–18	2018–19
10	10	10

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
The Government of Canada is able to fund its financial requirements on a timely and effective basis.	Percentage of funding requirements met within the required time frames.	100 per cent	2016–17
	Ratio of auctions that are fully covered (Bid cover ratio).	1 or higher	2016–17

Planning Highlights

The Department of Finance Canada, in collaboration with the Bank of Canada, the government's fiscal agent, will continue to provide funding to support government operations. In consultation with stakeholders and the Bank of Canada, the Department will formulate and implement a federal debt strategy that maintains a well-functioning Government of Canada debt market.

Sub-Program 1.3.2: Major Federal-Backed Entities' Borrowing

Description

This Sub-Program provides analysis, research and advice to ministers and senior government officials on the borrowing activities of major entities that are backed by the full faith and credit of the government such as Crown corporations and similar entities. The Sub-Program ensures that major federal government-backed entities receive timely and effective funding and that their borrowing is cost-effective and compliant with the principles of prudent risk management.

Budgetary Financial Resources (dollars)

2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
695,000	695,000	695,000

Human Resources (FTEs)

2016–17	2017–18	2018–19
5	5	5

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
The Government of Canada is able to provide funding to federal government entities on a timely and effective basis.	Percentage of requested funding provided to Crowns through the Crown Borrowing Program within the required time frames and according to approved program procedures.	100 per cent	2016–17

Planning Highlights

The Department of Finance Canada will provide advice on Crown borrowing plans and will support the delivery of timely and cost-effective funding for financial Crown corporations.

Sub-Program 1.3.3: Prudential Liquidity and Reserves Management

Description

This Sub-Program provides analysis, research and advice to ministers and senior government officials on the management of prudential liquidity and reserves. The Sub-Program ensures that the Government of Canada can meet its liquidity needs on a timely and effective basis. The Sub-Program safeguards the government's ability to meet payment obligations in situations where normal access to funding markets may be disrupted, and promotes foreign currency liquidity and orderly conditions for the Canadian dollar in foreign exchange markets, if needed. Prudential liquidity and reserves management involves maintaining domestic cash deposits at the Bank of Canada and financial institutions, and acquiring and managing cash reserves, loans, investments and advances in the government's Exchange Fund Account.

Budgetary Financial Resources (dollars)

2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
1,210,000	1,210,000	1,210,000

Human Resources (FTEs)

2016–17	2017–18	2018–19
9	9	9

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
The Government of Canada is able to meet its liquidity needs on a timely and effective basis.	Percentage of weeks that the prudential target liquidity level of 20 business days is met.	100 per cent	2016–17
	Level of liquid reserves as a percentage of nominal GDP.	3 per cent	2016–17

Planning Highlights

The Department of Finance Canada will ensure the maintenance of an appropriate level of liquidity through domestic and international reserves to meet potential contingencies. In collaboration with the Bank of Canada, the Department will also maintain a framework for the management of the international reserves, ensuring that liquidity needs, return and risk are appropriately balanced.

Sub-Program 1.3.4: Domestic Currency System

Description

This Sub-Program provides analysis, research and advice to ministers and senior government officials on the currency system, which involves the production of banknotes by the Bank of Canada and the circulation of coinage by the Royal Canadian Mint. The Sub-Program ensures that the Government of Canada has a cost-effective, adequate and robust supply of domestic currency to meet the needs of the Canadian economy.

Budgetary Financial Resources (dollars)

2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
96,489,000	100,489,000	95,489,000

Human Resources (FTEs)

2016–17	2017–18	2018–19
4	4	4

Performance Measurement

Expected Results	Performance Indicators	Targets	Date to Be Achieved
Canada has an adequate and cost-effective supply of domestic currency to meet the needs of its economy.	Number of coin orders from financial institutions not fully met by the Royal Canadian Mint.	0	2016–17
	Difference between the amount paid by the Government of Canada for domestic circulation coins and the actual costs incurred by the Mint for their production.	0	2016–17

Planning Highlights

The Department of Finance Canada will support the development of commemorative banknotes and coins by the Bank of Canada and the Royal Canadian Mint, and work with both institutions to ensure that Canada's banknote and coinage needs are met.

Internal Services

Description

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. Internal services include only those activities and resources that apply across an organization, and not those provided to a specific program. The groups of activities are Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; and Acquisition Services.

Budgetary Financial Resources (dollars)

2016–17 Main Estimates	2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
41,115,227	41,115,227	38,743,212	38,743,212

Human Resources (FTEs)

2016–17	2017–18	2018–19
249	249	249

Planning Highlights

The Department of Finance Canada will continue to implement government-wide modernization and transformation initiatives in the areas of people management, information management (IM) and information technology (IT), as well as to support Destination 2020 and the Department's Blueprint 2020 activities.

The Department will continue its efforts to attract and retain highly qualified and high-performing employees, and uphold its reputation as an employer of choice, specifically focusing on talent management and workplace wellness. The Department will also continue to improve the security of IT networks in partnership with Shared Services Canada. Finally, the Department will continue to implement and monitor progress on government-wide financial management policies and initiatives, and effectively manage the Department's operating budget.

Section III: Supplementary Information

Future-Oriented Condensed Statement of Operations

The Future-Oriented Condensed Statement of Operations provides a general overview of the Department of Finance Canada's operations. The forecast of financial information on expenses and revenues is prepared on an accrual accounting basis to strengthen accountability and to improve transparency and financial management.

Because the Future-Oriented Condensed Statement of Operations is prepared on an accrual accounting basis, and the forecast and planned spending amounts presented in other sections of the Report on Plans and Priorities are prepared on an expenditure basis, amounts may differ.

A more detailed Future-Oriented Statement of operations and associated notes, including a reconciliation of the net cost of operations to the requested authorities, are available on the Department of Finance Canada's website. [vi]

Future-Oriented Condensed Statement of Operations
For the Year Ended March 31, 2016
(dollars)

Financial Information	2015–16 Forecast Results	2016–17 Planned Results	Difference (2016–17 Planned Results minus 2015–16 Forecast Results)
Total expenses	87,202,292,096	89,487,709,424	2,285,417,328
Total revenues	101,516	101,516	0
Net cost of operations before government funding and transfers	87,202,190,580	89,487,607,908	2,285,417,328

Supplementary Information Tables

The supplementary information tables listed in the 2016–17 Report on Plans and Priorities are available on the Department of Finance Canada's website.[vii]

- Departmental Sustainable Development Strategy
- Details on Transfer Payment Programs of $5 Million or More
- Horizontal Initiatives
- Upcoming Internal Audits and Evaluations Over the Next Three Fiscal Years

Tax Expenditures and Evaluations

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures each year in the Tax Expenditures and Evaluations[viii] publication. The tax measures presented in that publication are the responsibility of the Minister of Finance.

Section IV: Organizational Contact Information

Department of Finance Canada
14th Floor
90 Elgin Street
Ottawa, Ontario K1A 0G5

Phone: 613-369-3710
Facsimile: 613-369-4065
TTY: 613-995-1455
Email: finpub@fin.gc.ca

Media Enquiries
Phone: 613-369-4000

Comments or questions regarding Department of Finance Canada publications and budget documents
Email: finpub@fin.gc.ca

Appendix: Definitions

Appropriation: Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures: Operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Departmental Performance Report: Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Reports on Plans and Priorities. These reports are tabled in Parliament in the fall.

full-time equivalent: A measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government of Canada outcomes: A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

Management, Resources and Results Structure: A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

non-budgetary expenditures: Net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance: What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve, and how well lessons learned have been identified.

performance indicator: A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting: The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

planned spending: For Reports on Plans and Priorities (RPPs) and Departmental Performance Reports (DPRs), planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their RPPs and DPRs.

plans: The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

priorities: Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

program: A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture: A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

Report on Plans and Priorities: Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

results: An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

statutory expenditures: Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

Strategic Outcome: A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program: A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target: A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

voted expenditures: Expenditures that Parliament approves annually through an Appropriation Act. The Vote wording becomes the governing conditions under which these expenditures may be made.

whole-of-government framework: Maps the financial contributions of federal organizations receiving appropriations by aligning their Programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.

Endnotes

i. **Prime Minister of Canada's website**, http://pm.gc.ca/eng/ministerial-mandate-letters
ii. **Justice Laws website**, http://laws-lois.justice.gc.ca/eng/
iii. **Prime Minister of Canada's website**, http://pm.gc.ca/eng/ministerial-mandate-letters
iv. **Whole-of-government framework**, http://www.tbs-sct.gc.ca/ems-sgd/wgf-ipp-eng.asp
v. **2016–17 Main Estimates**, http://www.tbs-sct.gc.ca/hgw-cgf/finances/pgs-pdg/gepme-pdgbpd/index-eng.asp
vi. **Department of Finance Canada's Future-Oriented Statement of Operations**, http://www.fin.gc.ca/fs-ef/2016-eng.asp
vii. **Supplementary information tables**, http://www.fin.gc.ca/pub/rpp/2016-2017/st-ts-01-eng.asp
viii. **Tax Expenditures and Evaluations publication**, http://www.fin.gc.ca/purl/taxexp-eng.asp